

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0827-01
Bill No.: HB 440
Subject: Labor and Industrial Relations Department; Labor and Management
Type: Original
Date: April 10, 2007

Bill Summary: This proposal requires labor unions not subject to the federal Labor Management Reporting and Disclosure Act to publicly disclose information concerning their finances.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
General Revenue	(\$43,689)	(\$53,591)	(\$55,197)
Total Estimated Net Effect on General Revenue Fund	(\$43,689)	(\$53,591)	(\$55,197)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Department of Labor & Industrial Relations	1 FTE	1 FTE	1 FTE
Total Estimated Net Effect on FTE	1 FTE	1 FTE	1 FTE

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Department of Labor and Industrial Relations (DOLIR)** assume to conduct the new duties required of the Department by this legislation, DOLIR will require 1 Executive I FTE to run the program set forth in the legislation and .5 FTE Investigator III to conduct the investigations. The initial formulation of rules and civil actions in the first year will require .5 FTE Attorney and .25 FTE Attorney in the following years to bring the civil actions.

Oversight assumes the investigator position and attorney position can be absorbed with existing resources.

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

Officials at the **Administrative Hearing Commission, Office of the State Courts Administrator, Office of the Attorney General** and the **Office of Administration** assume that there is no fiscal impact from this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
GENERAL REVENUE			
<u>Cost - DOLIR</u>			
Personal Service	(\$23,144)	(\$28,606)	(\$29,464)
Fringe Benefit	(\$10,475)	(\$12,947)	(\$13,335)
Equipment & Expense	<u>(\$10,070)</u>	<u>(\$12,038)</u>	<u>(\$12,398)</u>
<u>Total Costs - DOLIR</u>	<u>(\$43,689)</u>	<u>(\$53,591)</u>	<u>(\$55,197)</u>
FTE Change - DOLIR	1 FTE	1 FTE	1 FTE
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(\$43,689)</u>	<u>(\$53,591)</u>	<u>(\$55,197)</u>
Estimated Net FTE Change on General Revenue	1 FTE	1 FTE	1 FTE
 <u>FISCAL IMPACT - Local Government</u>	 FY 2008 (10 Mo.)	 FY 2009	 FY 2010
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This bill requires labor unions that are not subject to the federal Labor Management Reporting and Disclosure Act to publicly disclose the following information concerning their finances:

- (1) Assets including cash, accounts receivable, loans receivable, United States treasury securities, investments, and other assets;
- (2) Liabilities including accounts payable, loans payable, mortgages, and other liabilities;
- (3) Cash receipts from sources including dues, fees, sales, interest, rent, and dividends;

FISCAL DESCRIPTION (continued)

(4) Cash disbursements including negotiation, administration, organization, lobbying, political, benefits, overhead, gifts, and contributions; and

(5) Membership status including active, inactive, associate, apprentice, retired, and others.

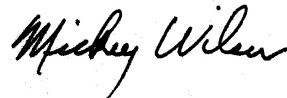
Fines and penalties for noncompliance are specified.

These provisions mirror the federal Lundrum-Griffin Act

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the State Courts Administrator
Department of Labor and Industrial Relations
Office of the Secretary of State
Office of Administration
Administrative Hearing Commission
Office of the Attorney General



Mickey Wilson, CPA
Director
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